

# **COUNCIL ON DEVELOPMENT FINANCE**

**August 12, 2019**

## **PUBLIC HEARING 446**

### **THOSE PRESENT:**

Hon. Nancy Cook  
Hon. Tarik Haskins  
Mr. Kevin Kelly  
Hon. Josh Martin  
Rep. Edward Osienski  
Mr. Jack Riddle  
Mr. Richard Rowland

Mr. Damian DeStefano, Chairperson, DEDA  
Ms. Jordan Schulties, Deputy Director  
Mr. Lawrence Lewis, DAG  
Mr. Michael Chesney, DSB  
Ms. Regina Mitchell, DSB  
Ms. Shavonne White, OSD  
Mr. Gary Haber, DSB  
Ms. Holly Trudel, DSB  
Mr. Joe Zilcosky, DSB

### **ALSO PRESENT:**

#### **Adesis, Inc.**

Dr. Andrew Cottone, Ph.D., President  
Dr. Tracy Brennan

#### **First State Montessori Academy**

Ms. Emilie Ninan, Partner, Ballard Spahr LLP  
Ms. Courtney Fox – Head of School  
Mr. Ellihu Ezekiel “Zeke” Allinson, III, Esq., School Board Treasurer  
Mr. DaWayne Sims, Chairman, School Board

Ms. Sarah Kenney-Cruz, DPP

Ms. Tiffany Dailey, OMB  
Nicole Polite, OMB

### **LOCATION:**

Buena Vista Conference Center  
661 S. DuPont Highway  
New Castle, Delaware 19720

### **TIME:**

9: 00 a.m.

**CALL TO ORDER:** The meeting was called to order at 9:02 a.m., by Acting Chairman, Jack Riddle, Monday, August 12, 2019.

### **OLD BUSINESS:**

Acting Chairman Riddle asked the Council if there were any comments, suggestions and/or recommendations regarding June 24, 2019 minutes for Council on Development Finance meeting. Rep. Edward Osienski motioned to approve the minutes and Honorable Tarik Haskins seconded the motion, which was then adopted by unanimous vote.

**NEW BUSINESS:**

**Presentation: Adesis, Inc.** – Update on Adesis, Inc., Strategic Fund project.

Dr. Andrew Cottone, President of Adesis, and colleague Dr. Tracy Brennan introduced themselves and thanked Council for \$455,000 grant obtained 1 ½ years ago. The presentation included the growth of Delaware Life Science Eco-System, a six thousand square foot laboratory space built within six months and 19 percent employee talent hired from University of Delaware alums within two years. Adesis engaged the community, encouraging interns in stem education from Delaware Technology, University of Delaware and initiating other university programs. Adesis collaborated with Fastest Fifty Delaware Companies Compass Red and WSFS to become members of Intern Delaware.

Acting Chairman Riddle asked Council for questions and or comments. Mr. Rowland acknowledged and appreciated Adesis thanking Council for the opportunity.

**Applicant and Owner of Project: First State Montessori Academy, a Delaware non-stock corporation (the “Borrower”).** - The Borrower is requesting that the Authority issue a tax-exempt bond and loan the proceeds of the bond to the Borrower.

**Maximum Amount of Proposed Issuance:** - \$15,000,000.

**Location of Project:** - 920 and 1000 N. French Street, Wilmington, Delaware 19801.

**PROJECT DESCRIPTION:** - Issuance of a qualified 501(c)(3) bond as defined in Section 145 of the Internal Revenue Code for improvements to an educational facility. More specifically, proceeds of the bonds will be used by the Borrower to finance (i) to finance or refinance all or a portion of the costs of acquisition of and capital improvements to the Applicant’s 60,000 sq. ft. lower school building located at 1000 N. French Street, Wilmington, DE 19801 and Applicant’s 43,000 sq. ft. upper school building located at 920 N. French Street, Wilmington, DE 19801; (ii) to fund a debt service reserve fund deposit; and (iii) to finance various costs incidental to the financing, including costs of issuance (collectively, the “Project”).

The Project will be owned by the Applicant and operated as a charter school.

Neither the members of the Authority nor any person executing such bonds on behalf of the Authority shall be liable personally on such bonds by reason of their issuance and such bonds shall not be in any way a debt or liability of the State of Delaware or any political subdivision thereof, and shall not create or constitute an indebtedness, liability or obligation of the State of Delaware or any political subdivision thereof other than the Authority.

Mr. Joe Zilcosky, DSB introduced Ms. Emilie Ninan, Partner, Ballard Spahr LLP, Ms. Courtney Fox, First State Montessori Academy, Head of School, Mr. DaWayne Sims, First State Montessori Academy, School Board Chairman and Hon. Zeke Allinson, III, Esq., First State Montessori Academy, School Board Treasurer.

First State Montessori is requesting DEDA (Delaware Economic Development Authority) to act as a conduit issuer for a tax-exempt bond not to exceed \$15,000,000. The proceeds of the revenue bonds will be used for acquisition of land and the two buildings the school currently rents as well

as rehabilitation expenditures. First State Montessori Academy is a public Montessori school formed in 2009, granted charter in 2013, and opened in 2014-2015 school year. It currently serves approximately 600 students from grades K-8.

Further discussion included bond type and bond issuance responsibility, First State Montessori Academy's S & P investment grade for public sale, First State Montessori Academy as Delaware's first public Montessori charter school for five years, financial reserves, and student enrollment process.

Acting Chairman Riddle asked if there were any members of the public that would like to comment on this application. There were no public comments.

**Motion Made By: Hon. Josh Martin**  
**Seconded By: Mr. Richard Rowland**

**Approved By Vote 7 to 0**

#### **EXECUTIVE SESSION**

No Executive Session before the Council.

#### **ALL OTHER MATTERS THAT MAY COME BEFORE THE COUNCIL**

No other matters before the Council.

#### **ADJOURNMENT:**

Meeting adjourned 9:25 a.m.

**Adjournment by consent.**

Respectfully submitted,  
Sheryl Hill-Dyer  
SHD

cc: Members of the Council on Development Finance  
Damian DeStefano, Chairperson, Delaware Economic Development Authority, (DEDA)  
Jordan Schulties, Deputy Director, Delaware Division of Small Business, (DSB)  
Lawrence Lewis, Deputy Attorney General, (DAG)

The next Council on Development Finance meeting is Monday, September 23, 2019, Buena Vista Conference Center, Buck Library, 661 South DuPont Highway, New Castle, Delaware, 19720, 9:00 a.m.